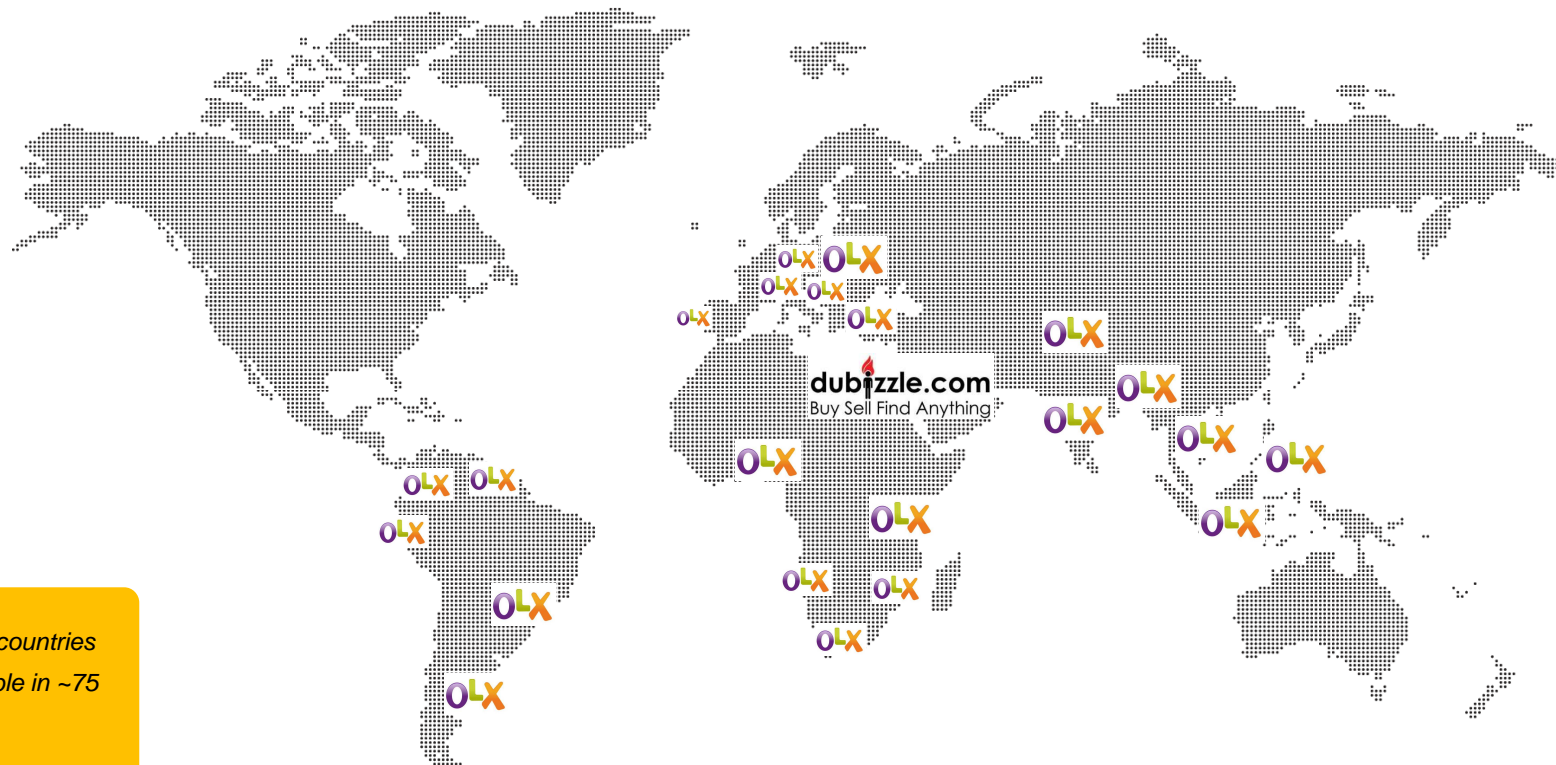




## How OLX contributes to help PME's in the Portuguese Digital Ecosystem

May 2017

## Naspers Classifieds operations are located throughout Europe, LatAm, EMEA, South Asia and South East Asia



- Operation in ~25 countries  
Services accessible in ~75 countries

**OLX** 

**14 Categories**

**3,3 Million Items for Sale**

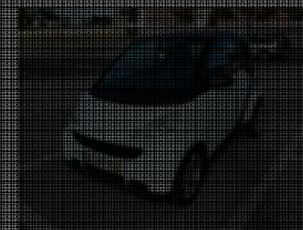
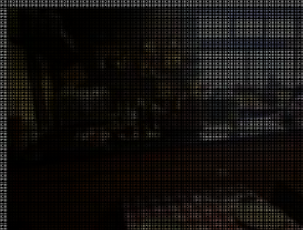
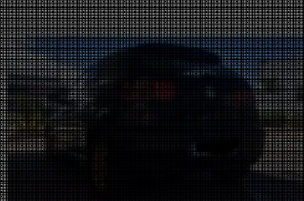
**6 Million of Monthly Active Users**

**170.000 Unique Listers Monthly**

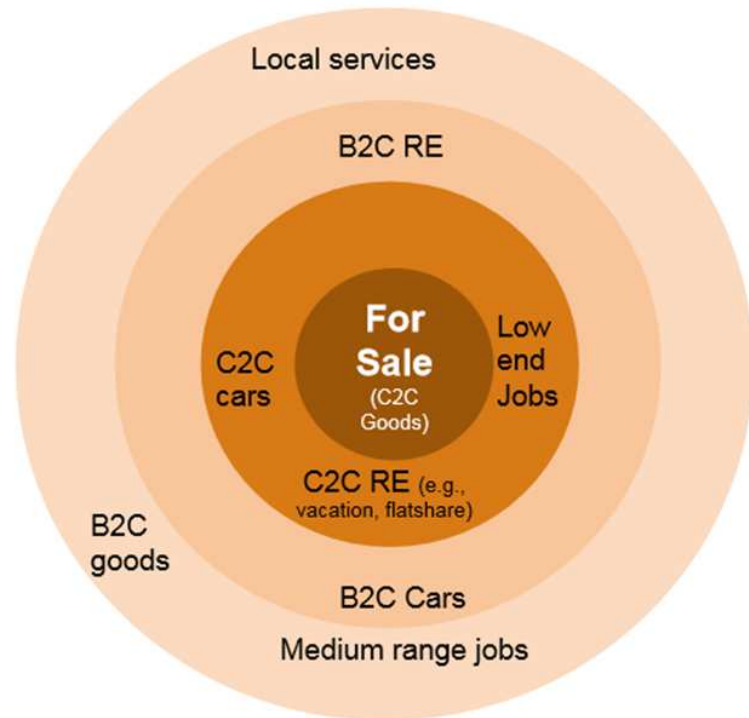
Estimated 80.000+ Leads per day

40% turns into transactions

DESTAQUES NO OLX



**We want to be the smartest operator in the Classifieds segment:**



Protecting the C2C Core

Professional offering and monetization

Mobile 1<sup>st</sup> Approach

Making money in classifieds is all about educating the market and crushing the competition

## OLX Protecting the C2C core



**75%- 90%**

- ToM awareness for selling goods in our top categories

**50%**

Of posted items on average indicated as sold on OLX

**36%**

Of posted items received 1 contact on the 1<sup>st</sup> Week of activation

**24.100**

Average of posted Items from private users

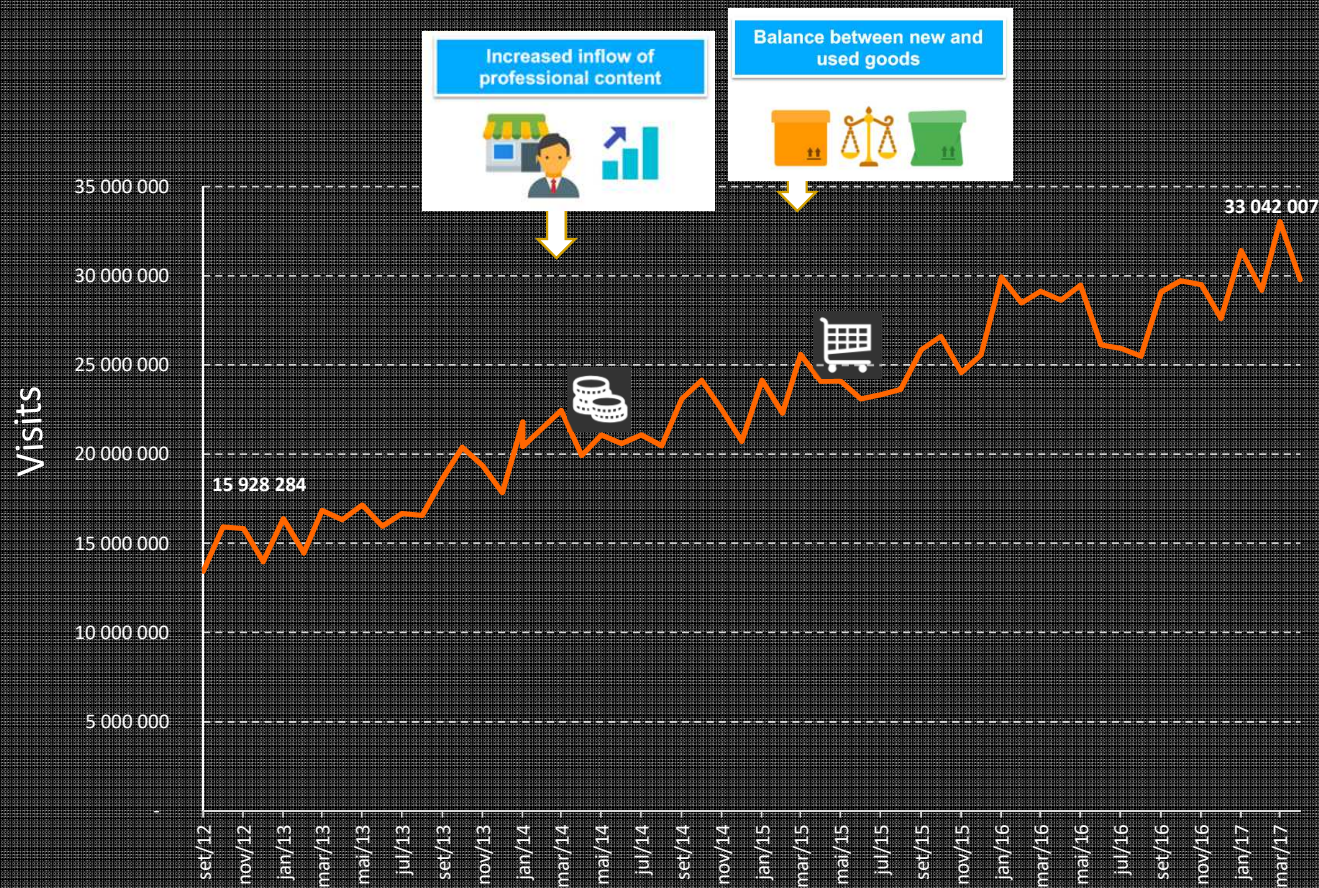
## C2C The growth challenge

Improve classifieds funnel conversions:

- Increase liquidity and users engagement
- Push traffic to other categories

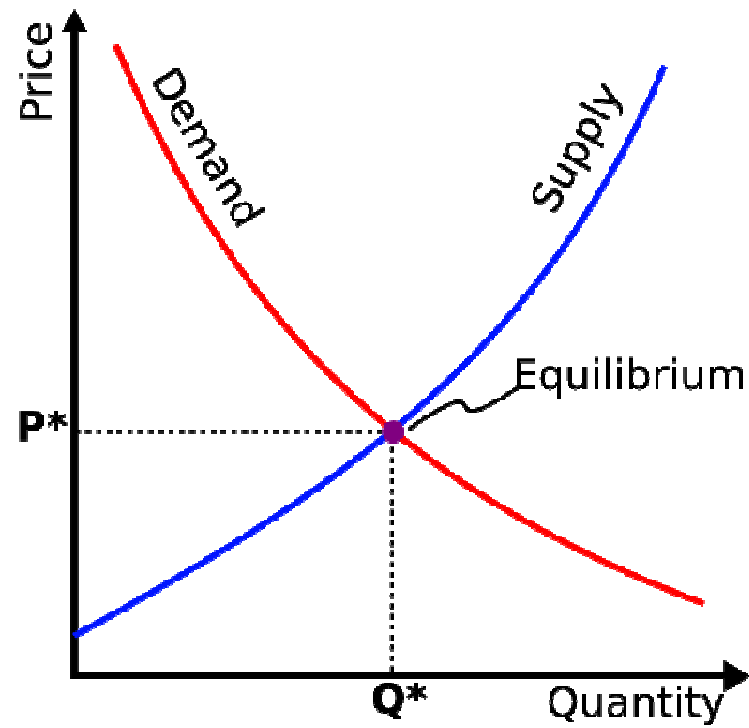
## OLX traffic evolution

From a pure classifieds model to a true market place!



**Taking leverage of the very fragmented existing marketplace in Portugal and addressing to B2C users to monetize**

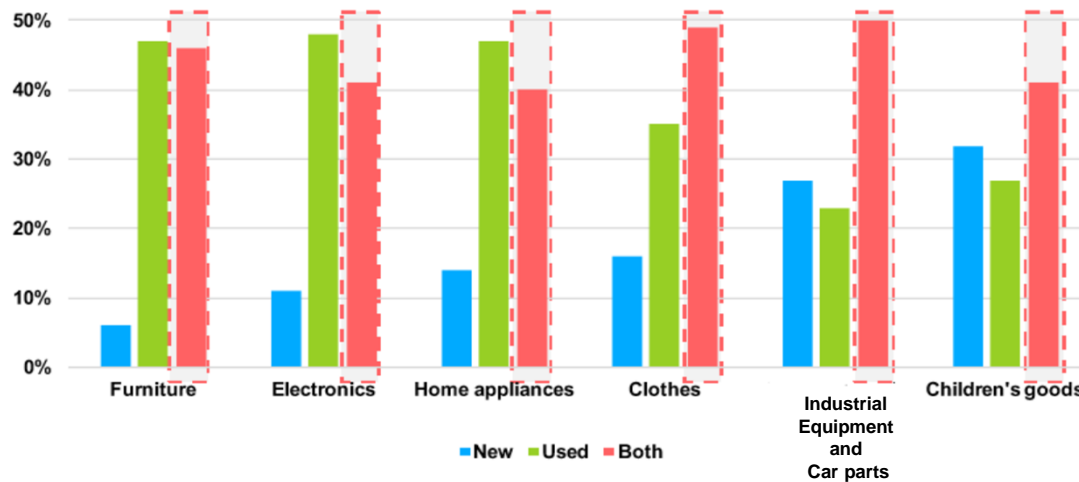
# A bit of economics 101...





# Professional offering and monetization

What buyers on OLX stated as the main type of goods they came looking at OLX.





# Finding the opportunity to monetize

## Defining the paywall limits?

- Pareto's Principle 20/80
- Define an average of active listings per user per category
- Check the user profiles and behaviors of those users above the average
- Determine an acceptable minimum of free ads finding the right balance to avoid private users losses



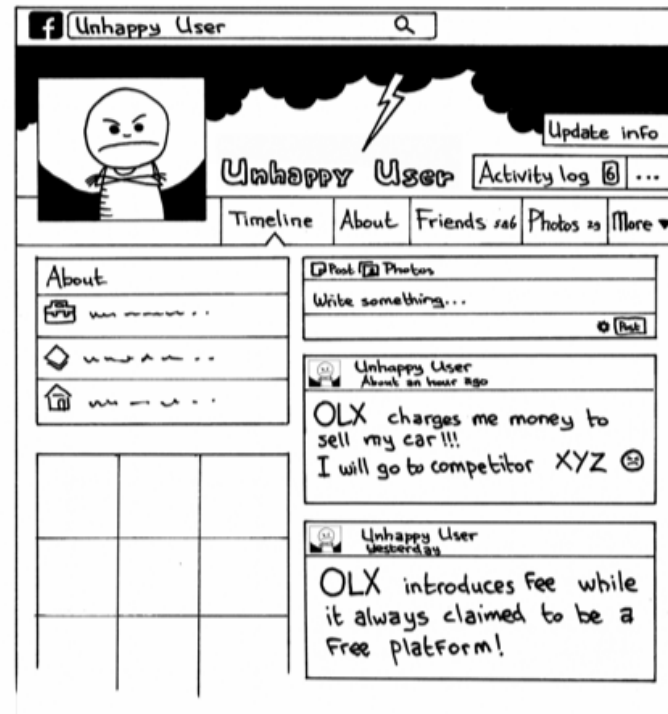
# Professional offering and monetization

## Free » Freemium Model

NEGATIVE PRESS



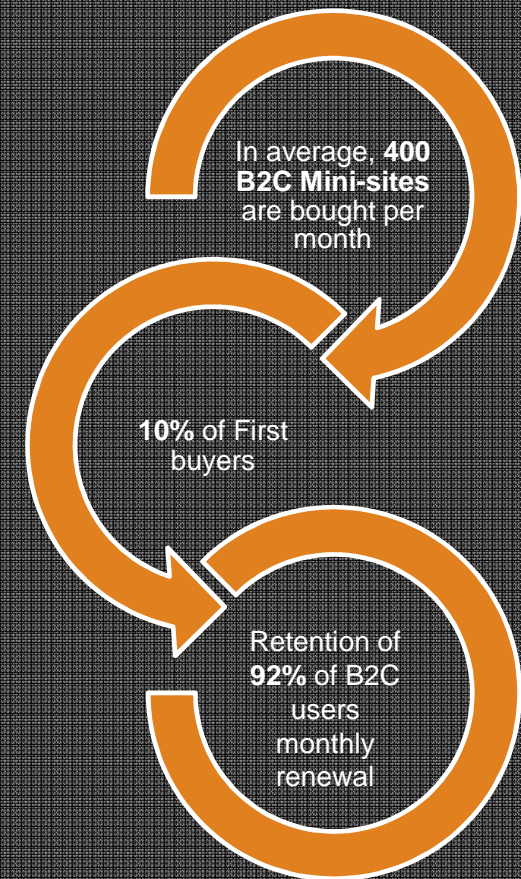
UNHAPPY USERS



## Professional offering and monetization

- Clear Communication is crucial, need to reeducate users;
- Paywall Limits can be applied without affecting significantly your KPIs;
- Sales Team will help in the 1<sup>st</sup> stage to clarify users about the packages;
- Moderation Team needs to be on board to avoid Duplicate Accounts
- Delivering to professionals the same solution as for privates is not enough;

## B2C Users Retention



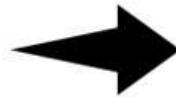
# Professional offering and monetization

## ***OLX Minisite:***

*Shop as central hub for all listings, information, analytics, contacts, etc*



*User chooses which items and how to promote them*



*Monetizing lead generation through access to the waterfall*



Listing fees



Promo



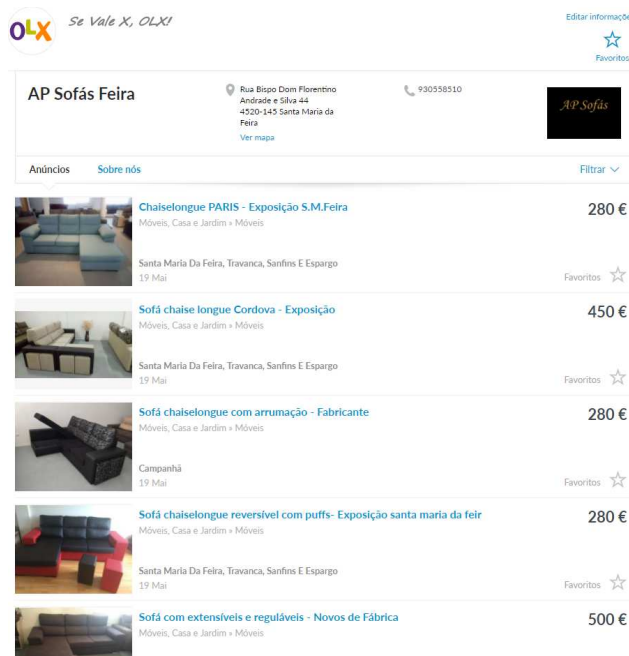
VAS



Context/CPC VAS



# Through our B2C services, we provide a ready-to-use online sales channel for PMEs



## Segment Group

- Small and Medium Companies as the core business segment benefiting most from use of our platforms
- B2C Users from all categories\*

## Value proposition

By accessing OLX's B2C services, companies gain ability to:

- **Sell more through OLX:**
  - Access to **higher volume** of listings
  - **Stronger effectiveness** through dedicated listings page, tailored item views and detailed statistics
- **Sell large volumes more efficiently** through OLX through inventory management tools via XML uploads
- Mini-site available in all platforms

Note: \* With exception to Real Estate and Car Dealers

# OLX B2C Users Guiding principles

		Description	Rationale
What we do	Paid Listings as anchor product	<ul style="list-style-type: none"> <li>Users need to pay for listings on OLX to use B2C features</li> </ul>	<ul style="list-style-type: none"> <li>Follow principle of collecting a part of value generated by our platform</li> <li>Shops as standalone product not driving value for sellers</li> </ul>
	Provide services relevant to B2C sub-segments	<ul style="list-style-type: none"> <li>Two tier plans: basic for small volumes (visibility benefits), and full for large volume (incl. inventory management)</li> </ul>	<ul style="list-style-type: none"> <li>Inventory management tools likely valued by large sellers – should be priced and provided separately</li> <li>Can inform prioritization of dev</li> </ul>
	Desktop-focused for non-buyer facing features	<ul style="list-style-type: none"> <li>Most B2C features will be developed primarily for desktop</li> </ul>	<ul style="list-style-type: none"> <li>B2C sellers using desktop as the main channels for posting and managing listings</li> </ul>
Support needed to limit by-pass of paid services	Account verification through SMS	<ul style="list-style-type: none"> <li>Require each account to have a validated phone number unique to that account</li> </ul>	<ul style="list-style-type: none"> <li>Account duplication allows for circumvention of all but zero limits</li> <li>Current account duplication detection partially successful</li> </ul>
	Posted ads instead of places on shelf	<ul style="list-style-type: none"> <li>Change definition of free limits to number of ads posted</li> </ul>	<ul style="list-style-type: none"> <li>Use of ads posted instead of NNLS reduces incentive of delete and repost and to duplicate accounts</li> </ul>

**The road ahead will stay exciting...**







Rita Sousa Marques  
[rita.marques@olx.pt](mailto:rita.marques@olx.pt)

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